

**National Electric Power Regulatory
Authority**

ISLAMIC REPUBLIC OF PAKISTAN
NEPRA Tower Ataturk Avenue (East),
Sector G-5/1, Islamabad.
Ph:051-2013200, Fax: 051-2600021

**Consumer Affairs
Department**

TCD.03/ 632-9 -2022
December 13, 2022

Chief Executive Officer,
Gujranwala Electric Power Company (GEPCO),
565/A, Model Town GT Road, Gujranwala.

Subject: **DECISION IN THE MATTER OF COMPLAINT FILED BY
MR. MUHAMMAD ARIF UNDER SECTION 39 OF THE REGULATION OF
GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC
POWER ACT, 1997 AGAINST GEPCO REGARDING DELAY IN
PROVISION OF CONNECTION (CLV NO. 1469-73)**
Complaint # **GEPCO-GJW-14755-08-22**

Please find enclosed herewith the decision of the NEPRA Consumer Complaints Tribunal dated December 13, 2022 regarding the subject matter for necessary action and compliance within thirty (30) days, positively.


(Muhammad Abid) 13/12/2022
Assistant Director (CAD)

Encl: As above

Copy to:

1. Chief Engineer/Customer Services Director,
Gujranwala Electric Power Company (GEPCO),
565/A, Model Town GT Road, Gujranwala.
2. Mr. Ghulam Rasool
Assistant Director (CAD),
Office # 87, Block M, Trust Plaza, Gujranwala.
Phone # 055 3822766
3. Mr. Muhammad Arif,
Office No. 224, 2nd Floor,
Kashif Bellair Plaza, G-8 Markaz,
Islamabad. Cell: 0301-8569950

**BEFORE THE
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
(NEPRA)**

Complaint No. GEPCO-NHQ-14755-08-22

Mr. Muhammad Arif,
Office No. 224, 2nd Floor,
Kashif Bellair Plaza, G 8 Markaz,
Islamabad. Cell: 0301-8569950

..... Complainant

VERSUS

Gujranwala Electric Power Company (GEPCO)
Gujranwala Electric Power Company Limited (GEPCO)
565/A, Model Town GT Road Gujranwala.

..... Respondent

Date of Hearing: September 26, 2022
October 18, 2022

**On behalf of
Complainant:** 1) Mr. Muhammad Arif

Respondent: 1) Mr. Asif Nadeem Chief Engineer (Planning), GEPCO
2) Mr. Faraz Ahmed, Addl. DD, GEPCO
3) Mr. Muhammad Abid, DD (P&D), GEPCO

Subject: DECISION IN THE MATTER OF COMPLAINT FILED BY MR. MUHAMMAD ARIF UNDER SECTION 39 OF THE REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 AGAINST GEPCO REGARDING DELAY IN PROVISION OF CONNECTION (CLV NO. 1469-73)

DECISION

This decision shall dispose of the complaint filed by Mr. Muhammad Arif Managing Director Al-Fanateer Consultant (hereinafter referred to as "the Complainant") against Gujranwala Electric Power Company (hereinafter referred to as the "Respondent" or "GEPCO"), under Section 39 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (hereinafter referred to as the "NEPRA Act").

2. The Complainant in his complaint submitted that they applied to GEPCO for electricity connection having tentative load 3993 KW for their project Askari Commercial and Educational Complex, Kharian. In response, GEPCO issued a demand notice amounting to Rs. 36,455,000/- on February 04, 2021 which was paid by them on March 03, 2021. After payment of demand notice, they approached GEPCO, however, instead of carrying out the electrification work; GEPCO issued additional demand notice amounting to Rs. 9,977,450/- on July 04, 2022. Therefore, being aggrieved from the demand notice, the Complainant requested NEPRA to intervene and direct GEPCO to withdraw the additional/revised demand notice and to complete electrification of their project.

3. The subject matter was taken up with GEPCO. In response, GEPCO vide letter dated October 17, 2022 submitted that the case for external electrification (one point supply) of Askari Commercial and Educational Complex was processed and subsequently a demand notice amounting to Rs. 36,455,000/- was issued on February 04, 2021 which was paid by the Sponsor on March 03, 2021. The case was submitted to Project Director (Construction) for execution, however, the case was returned due to revision of rates of material w.e.f. November 16, 2021. GEPCO further added that according to terms and conditions of

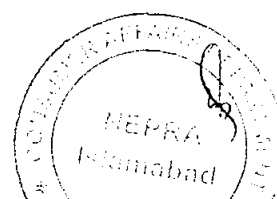


demand notice; the sponsor is responsible for right of way and delay in execution of work was caused due to late provision of NOC from NHA by the Sponsor (NOC was received by GEPCO on July 29, 2022). Moreover, according to Clause-23 of terms and conditions of the demand notice; the sponsor is liable to pay any variation in prices of material. GEPCO has further submitted that the Sponsor has provided an undertaking on non-judicial stamp paper worth Rs. 100/- wherein the Sponsor has agreed to pay the enhanced rate of material.

4. In order to proceed further, hearings were held at NEPRA Head Office, Islamabad which was attended by both the parties (GEPCO & the Complainant) wherein the case was discussed in detail. GEPCO officials reiterated their version as submitted vide letter dated October 17, 2022. However, the Complainant was of the view that as per clause 2.4.6 of Consumer Service Manual, once demand notice has been issued by GEPCO and is paid in full, no further charges/demand notice can be raised against the applicant on account of escalation of cost of material, therefore additional demand notice issued by GEPCO is unjustified and be withdrawn. GEPCO was directed vide this office letter dated September 28, 2022 to provide copies of notices served upon the Complainant for provision of right of way/NOCs from other departments i.e. NHQ etc. In response GEPCO submitted sanctioned letter of electrification work wherein the Complainant was directed by GEPCO to provide NOCs/right of way where applicable.

5. The case has been examined in detail in light of the record made so available by the parties, arguments advanced during the hearing and applicable law. Following has been observed:

- (i) The sponsor of "Askari Commercial and Educational Complex", Kharian applied for external electrification of the project on November 10, 2021. Accordingly, GEPCO approved the case on February 04, 2021 and issued a demand notice amounting to Rs. 36,455,000/- which was paid by the sponsor on March 03, 2021. GEPCO did not start the electrification work and subsequently issued a revised demand notice on July 04, 2022 amounting to Rs. 9,977,450/- on the basis of revision of rates as on November 16, 2021.
- (ii) According to GEPCO delay in electrification occurred due to non-provision right of way/NOC from National Highway Authority (NHA) by the Complainant. The Complainant provided NOC from NHQ on July 07, 2022 and during the period; rates were revised w.e.f. November 16, 2021. GEPCO is of the view that according to Clause-22 of sanctioned letter dated February 04, 2021; the sponsor is responsible to clear right of way problem created by any department/High Way/Forest or any plot owner. In the instant case GEPCO did not inform the sponsor for NOC from NHA w.r.t. right of way which was particularly required in this case. During the hearing; the Complainant submitted that the sponsor himself approached NHA for issuance of NOC regarding right of way which was provided to GEPCO.
- (iii) GEPCO further supported issuance of revised demand notice on the basis of undertaking provided by the sponsor on non-judicial stamp paper and information printed on sanctioned letter under clause-23 wherein the sponsor is liable to pay variation in prices of material caused due to escalation of rates. However, there is no force in arguments of GEPCO due to contradiction of the same with the relevant provisions of the Consumer Service Manual (CSM). According to the Clause 2.4.6 of the CSM, once demand notice is issued by DISCO and is paid by the applicant in full, no further charges/demand notice can be raised against the applicant on account of escalation of rates of material. This Clause-23 printed on sanctioned letter is in violation of provisions of Consumer Service Manual (CSM).
- (iv) The ultimate load of the complex has been assessed as 3993 KW. According to time frame for new connections given in NEPRA Performance Standards (Distribution) Rules 2005 read with Consumer Service Manual (CSM) DISCOs are required to provide electricity supply for load above 500 kW but not exceeding 5000 kW at 11 kV within seventy six (76) days after payment of demand notice. However, certain codal formalities are required to be completed



before energization of connection. In such a way, demand notice is issued after necessary survey, therefore, right of way/NOC was to be observed during survey and to be communicated to the sponsor specifically in sanctioned letter. In the instant case, after completion of all the formalities electrification work should have been completed by May 18, 2021. However, the execution of work has not yet been started due to one reasons or the other and the parties are shifting responsibility to each other.

- (v) According to provisions of Consumer Service Manual (CSM) arrangement of right of way is the responsibility of the applicant. GEPCO vide Clause-22 of the sanctioned letter has mentioned provision of right of way/NOC which is a general statement included in all the sanctioned letters i.e. provision of right of way from any department/High Way/Forest or any plot owner is responsibility of the applicant/sponsor. However, no notice was issued to the Complainant for provision of NOC particularly from National Highway Authority (NHA) which was required in the instant case and at the same time the Complainant also did not seek any clarification from GEPCO regarding applicability of Clause 22 of sanctioned letter i.e. any NOC is required in his case or not. In this way negligence has been observed from both sides i.e. GEPCO as well as on the part of the Complainant as he knows that NOC is required to carryout the work, however, he did not take any efforts in this regard; as such both parties cannot absolve themselves from their responsibilities, therefore, amount of the revised demand notice shall be shared by both the parties equally.
- (vi) As demand notice is issued after necessary survey of the premises, therefore, in order to avoid such complications in future, GEPCO should ensure issuance of sanctioned letter after completion of all necessary verifications. GEPCO should mention the name of the Department(s) from which NOC(s) are required instead of mentioning a general condition in the sanctioned letter. Information/requirements in violation of provisions of Consumer Service Manual (CSM) and other rules/regulations applicable law should not be printed on sanctioned letters/demand notices.

6. From the above, it is concluded that GEPCO issued demand notice to the Complainant on February 04, 2021 which was paid by the Complainant on March 03, 2021. According to the provisions of law, the external electrification of "Askari Commercial and Educational Complex", Kharian was required to be completed within seventy six (76) days after payment of demand notice i.e. May 18, 2021 but delayed due to non-provision of No Objection Certificate (NOC) from National Highway Authority (NHA) which was required to be provided by the Complainant in accordance with Clause-14.3 of Consumer Service Manual (CSM). Moreover, GEPCO also did not issue any specific notice to the sponsor for provision of NOC by NHA and also did not issue reminder(s) to the sponsor for the same. The Complainant was also aware that NOC is required from NHA but he did not make timely efforts for provision of the same. As such, negligence regarding provision of NOC/right of way; has been observed on the part of both parties, therefore, amount of revised/additional demand notice be shared by both the parties (GEPCO and the Complainant) equally. The Complainant is liable for payment of 50% amount of the revised demand notice issued by GEPCO. GEPCO is directed to revise the demand notice accordingly and upon payment of the same, GEPCO shall complete electrification of the "Askari Commercial and Educational Complex", Kharian without further delay. In order to avoid such complications in future, GEPCO is required to direct its concerned officials to specifically mention the name of department(s)/person(s) in sanctioned letters from which NOC(s)/right of way are required. Compliance report be submitted within thirty (30) days.

(Lashkar Khan Qambrani)
Member Consumer Complaints Tribunal
Director (CAD)

(Moqeen ul Hassan)
Member Consumer Complaints Tribunal
Assistant Legal Advisor (CAD)

(Naweed Hani Shaikh) 13/12/22
Convener Consumer Complaints Tribunal/
Director General (CAD)

Islamabad, December 13, 2022

